California School-Based MAA Manual

SECTION 9

MAA Contracts

Contract Requirements

For a LEC/LGA to claim reimbursement for MAA, Welfare and Institutions Code 14132.47(b) requires that the LEC/LGA have a contract with DHS, the single state agency for administering the Medicaid program. This document is called the MAA Contract.

Lateral Agreements/Memorandums of Understanding

The MAA contract is designed so the LEC/LGA may act on behalf of LEAs claiming reimbursement for MAA. LEAs intending to seek reimbursement through MAA must have a similar agreement or contract with the LEC/LGA that holds the DHS contract. Its language mirrors the DHS contract so that other participating agencies may be held to the same terms and conditions set forth in the contract between DHS and the LEC/LGA.

Contract Agencies

LEC/LGAs and LEAs may deliver their services through contract providers. These contract agencies, or community-based organizations (CBOs), may also participate in MAA. The contract language must reflect the intent of the contract agency to perform some or all of the allowable MAA. Its language should mirror the DHS contract so that other participating agencies may be held to the same terms and conditions set forth in the contract between DHS and the LEC/LGA.

Local matching funds that support claims for reimbursement of the cost of providing school-based MAA must constitute Certified Public Expenditures; that is, they must come from county or city governments, schools or any other pubic entities. They may not come from CBOs that are nongovernmental or private agencies.

Host Entity: DHS Contract

The Host Entity, if applicable, is designated to be the administrative and fiscal intermediary for all LEC/LGA contracts with DHS to perform administrative activities. DHS determines each year the staffing requirements upon which the DHS projected costs are based. The projected costs include the anticipated salaries, benefits, overhead, operating expenses and equipment necessary to administer the MAA program.

The contract requires the host entity to submit invoices to and collect from each LEC/LGA, its portion of the payment for the DHS-projected administrative costs for which each participating LEC/LGA is liable. Funds are disbursed to the DHS to reimburse the costs incurred by the DHS for the performance of administrative activities. The payments are remitted to the department within 60 days of receipt of the DHS invoice to the host entity.

Host Entity: LEC/LGA Contract

The Host Entity, if applicable, contracts with the participating LEC/LGA and invoices the LEC/LGA for the annual participating fee. The contract specifies the responsibility of the Host Entity contractors.

Personal Services Contracts

Personal Services Contracts are agreements/contracts for an entity (non-employee) whose contract language **does not** specify performing MAA. These staff are treated like district-employed staff and must time-survey. Their job classifications must be identified on the Grid and must include a separate duty statement if different from other claiming staff on the Grid.

Subcontractor Contracts

Subcontractor contracts are agreements/contracts for entities (non-employees) who conduct specific MAA on behalf of the claiming unit. The contract must specify the MAA being conducted and the projected amount of time and cost to perform such activities. When such language exists, staff do not need to time-survey and services can be direct-charged.

Contract Amendments

Contracts with DHS to provide school-based MAA may be amended. The required amendment forms must be submitted to DHS within 90 days of the end of the fiscal year in which the contracted activities were conducted. These forms must be requested in a timely manner by email or letter addressed to:

Department of Health Services
Medi-Cal Benefits Branch
Chief, Administrative Claiming Operations Unit (MAA)
1501 Capitol Avenue, MS 4603
P.O. Box 997413
Sacramento, CA 95899-7413

Elements of the Interagency Agreement
(This subsection is excerpted from CMS's School-Based Administrative Activities Guide, page 6. It summarizes the points made above.)

The interagency agreement must include:

- Mutual objectives of the agreement;
- Responsibilities of all the parties to the agreement;
- Activities or services each party to the agreement offers and under what circumstances;
- Cooperative and collaborative relationships at the state and local levels;
- Specific administrative claiming time study activity codes which have been approved by CMS, by reference or inclusion;
- Specific methodology that has been approved by CMS for computation of the claim, by reference or inclusion;
- Methods for reimbursement, exchange of reports and documentation, and liaison between the parties, including designation of state and local liaison staff.

The interagency agreement should address the Medicaid administrative claiming process, identify the services the state Medicaid agency will provide for the local entity, including any related reimbursement and funding mechanisms, and define oversight activities and responsibilities. All participation requirements the state Medicaid agency determines to be mandatory for ensuring a valid process should be detailed in the agreement. Maintenance of records, participation in audits, designation of local project coordinators, training timetables and criteria, and submission of fiscal information are all important elements of the interagency agreement. Also, the specific methodology, which may include a standardized claim form, the mechanism for filing the claim, and the approved time study codes for use by the local entity, are valid agreement elements.

Although prior approval by CMS of the interagency agreement is not required, state Medicaid agencies are encouraged to consult CMS during the development of their model interagency agreements for Medicaid administrative claiming. CMS has the authority to review interagency agreements to ensure that activities are in support of the proper and efficient administration of the state plan.